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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

SEP 13 1995

FEDERAL COMMUNICATIONS COMMISSION  
CLERK

In the Matter of )  
 )  
Telephone Number Portability ) CC Docket No. 95-116  
 )

DOCKET FILE COPY ORIGINAL

Motion to Accept Late Filed Comments

BellSouth Corporation and BellSouth Telecommunications, Inc. ("BellSouth") move the Commission to accept their comments in response to the Commission's Notice of Proposed Rulemaking, FCC 95-284 (rel. July 13, 1995) in the above-referenced docket ("NPRM"), and for their motion state as follows:

1. Comments were due in this docket on Tuesday, September 12. Public Notice, Report No. DC 95-99 (July 13, 1995), Order DA 95-116, Sep. 7, 1995).
2. BellSouth prepared comments and transmitted them, electronically, from its BellSouth Telecommunications, Inc., headquarters in Atlanta to its Washington D.C. office on Tuesday afternoon, September 12 for filing with the Commission, pursuant to BellSouth's usual procedures.
3. Given the length of the comments, they were not received at its Washington office in time for BellSouth's courier to complete hand delivery to the Commission office before it closed. BellSouth's comments are filed herewith, one day late on Wednesday, September 13.

Noted and rec'd  
SEP 13 1995

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4. No party will be prejudiced by the grant of BellSouth's motions. The comments due by the close of business on September 12 were the initial comments in this unrestricted docket. Having filed on September 13, BellSouth's comments will be available for review to, essentially, the same extent as they would have been had they been filed at the close of business on September 12. Further, the Commission has accepted late filed comments.<sup>1</sup>

5. The public interest is served by the grant of BellSouth's motion. BellSouth made a good faith effort to respond comprehensively to many of the technical issues raised in the NPRM. All commenters, and others, will have ample opportunity to reply to BellSouth's comments by the prescribed reply date. Acceptance of BellSouth's comments will eliminate the need to file them as ex parte comments,

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<sup>1</sup> See Amendment of the Commission's Rules to Establish New Narrowband Personal Communications Services, Second Memorandum Opinion and Order, Gen Docket No. 90-314, ET Docket No. 92-100, 9 FCC Rcd 4519, n.5 (Aug. 25, 1994) (accepting comments filed 33 days late in interest of considering a full record); Proposed 708 Relief Plan and 630 Numbering Plan Area, Declaratory Ruling and Order, IAD File No. 94-102, 10 FCC Rcd 4596, 4597 n. 1, 4612 para. 39 (Jan. 23, 1995) (granting motion to accept comments filed three days late); Television Satellite Stations Review of Policy and Rules, Further Notice of Proposed Rulemaking, MM Docket No. 91-221 and MM Docket No. 87-8, 10 FCC Rcd 3524, 3530 n. 22 (Jan. 17, 1995) (considering five late comments); Expanded Interconnection with Local Telephone Company Facilities, Second Report and Order and Third Notice of Proposed Rulemaking, 8 FCC Rcd 7374, 7451 para. 164 (Sep. 2, 1993) (accepting out-of-time comments and late-filed reply comments) and Equal Access and Interconnection Obligations Pertaining to Commercial Mobile Radio Services, Notice of Proposed Rulemaking and Notice of Inquiry, CC Docket No. 94-54, 9 FCC Rcd 5408, 5410 n. 2, 5470, para. 152 (July 1, 1994) (granting motions to accept late filed comments).


and will thus allow for a more a full and complete record in this docket and conserve the Commission's resources.<sup>2</sup>

6. Finally, BellSouth made good faith efforts to timely file its comprehensive comments, including performing a dry run transmittal the day before comments were due. The electronic transmission delay which occurred on September 12 was inconsistent with BellSouth's earlier test, and its usual practice. BellSouth consistently meets comment deadlines, and will continue to do so in the future through better planning to avoid such mechanical delays. BellSouth respectfully requests that the Commission consider all of these factors and determine that the public interest will be served in granting the instant motion.

RESPECTFULLY SUBMITTED,

BELLSOUTH CORPORATION

By Its Attorneys

  
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Atlanta, Georgia 30309-3610

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<sup>2</sup> See Telephone Company-Cable Television Cross-Ownership Rules, Memorandum Opinion and Order on Reconsideration and Third Further Notice of Proposed Rulemaking, CC Docket No. 87-266, 10 FCC Rcd 244, 252 n. 21 (Nov. 7, 1994) (considering late filed pleadings and petitions by several parties in interest of achieving a complete record).

BELLSOUTH TELECOMMUNICATIONS, INC.  
By Its Attorneys

A handwritten signature in dark ink, appearing to read 'Theodore R. Kingsley', is written over a horizontal line.

M. Robert Sutherland  
Theodore R. Kingsley  
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September 13, 1995

CERTIFICATE OF SERVICE

I hereby certify that I have this 13th day of September, 1995 served all parties to this action with a copy of the foregoing Motion to Accept Late Filed Comments by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties listed below.

  
Gwendolyn M. Burleson

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## SUMMARY

BellSouth supports the Commission's initiatives in this docket. Number portability challenges the essential nature of the North American Numbering Plan and the public switched telephone network: telephone numbers are used to inform callers and carriers alike of the origin, destination, and charges associated with telephone calls. Based on this essential principle, the industry has expended billions of dollars in investments and upgrades to the network, which, through the cooperative efforts of multiple carriers in multiple and overlapping markets and regulatory jurisdictions, provides end users a quality of seamless services and transparent feature functionality that is unequalled in the world. The potentially convulsive effects of number portability must be minimized by the Commission's taking a leadership role in developing a national number portability policy.

BellSouth responds to the Commission's Notice of Proposed Rulemaking by first examining the separate competitive and market demands for portability features. BellSouth believes that regulatory intervention in the absence of demonstrated market demand should be minimized. There does not appear to be a significant market demand for service provider portability, service portability or location portability. Nevertheless, BellSouth agrees that interim service provider portability will facilitate

competition in the local exchange market. Any permanent number portability solution must allow for service provider and portability solutions. It is generally premature to impose portability requirements on wireless carriers. Finally, there does not appear to be any demand to justify imposing portability requirements on non-geographic number services.

BellSouth next provides comments for the record concerning portability architectures. A service management system, administered by a neutral third party selected through a competitive bidding process, is critical to any long term portability solution. While traditional routing protocols must be maintained, individual elements of portability architecture, such as triggering mechanisms, admit flexible solutions. Although the industry must continue to examine competing proposals, at the present the Network Routing Address proposal constitutes the best foundation for a permanent portability architecture. Component flexibility notwithstanding, an overall uniform approach is essential to ensuring network interoperability and efficiency.

BellSouth then analyzes the impacts which the number portability will have, and which must be considered as the industry, under Commission direction, works through the consensus process to arrive at a long term solution. Specifically, the effect on network operational issues,

billing systems, operations systems, operator services, number administration, customer premises equipment, end user feature functionality, directories, and NPA relief must be resolved by the industry before a permanent solution is implemented. In the meantime, states should be free to implement remote call forwarding, flexible direct inward dialing, or their variants, as interim service provider solutions which will not frustrate the orderly implementation of a uniform national policy.

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## COMMENTS

BellSouth Corporation and BellSouth Telecommunications, Inc. ("BellSouth") submit these comments in response to the Commission's Notice of Proposed Rulemaking, FCC 95-284 (rel. July 13, 1995) in the above-referenced docket ("NPRM").

## INTRODUCTION

BellSouth supports the Commission's initiatives in assuming a leadership role in developing a national number portability policy. In developing this policy, the Commission must balance the public interest of economic growth in telecommunications services with the public interest in maintaining the quality and reliability of the nation's telecommunications infrastructure. The Commission's task of balancing these concerns is all the more challenging given the overlapping jurisdiction of state regulatory commissions in many market segments. The Commission must ensure that state and federal number portability initiatives designed to facilitate local exchange competition do not adversely affect communications networks which are already competitive. Commercial mobile radio service ("CMRS") providers, for example must have the

ability to enter new markets, offer novel and innovative services, and continue to serve their customers in an efficient manner. Even if CMRS providers are not compelled to participate in interim number portability measures designed to facilitate local exchange competition, the presence of ported calls in the public switched telephone network ("PSTN") could have immediate adverse impacts on systems and services, including currently available mobility options such as cellular roaming, an FCC fostered service.

The Commission's most significant public interest objective must be to ensure that number portability implementation not impair the quality, reliability or convenience of the PSTN, including wireless networks. It can do this by proscribing long term number portability solutions to be implemented by individual states in advance of an industry derived national solution. The Commission should ensure that interim and permanent solutions do not operate as a competitive disadvantage to telecommunications carriers. These objectives are best met by continuing to allow the industry to resolve issues relative to implementing number portability and by the Commission endorsing or adopting guidelines and solutions developed by the industry.

## I. THE DEMAND FOR PORTABILITY

In its NPRM the Commission discusses the importance of number portability from two perspectives: the potential competitive benefits that service provider number portability might bring with respect to both wireline and wireless markets, and the potential benefits to consumers of service and location portability. In BellSouth's view, both perspectives are distinctly different and therefore should be analyzed in terms of the demand from new entrants as a means to secure a competitive foothold in a telecommunications market ("competitive demand") and actual consumer demand for new or enhanced service capabilities ("market demand"). In terms of the types of portability addressed by the Commission and the industry, service provider portability appears to be related to competitive demand while service and location portability appear to be related to market demand.

The importance of service provider portability to enhance competition in different markets is best analyzed by assessing the status of competition in the relevant market. If new entrants perceive that competition will be enhanced within the relevant market or between markets by introducing service provider portability for competitive services, then new entrants will demand service provider number portability whether or not true market demand for such capability exists. If competition will not be enhanced then there will

be no competitive demand and consequently no need for regulatory intervention. Moreover, as long as services are complementary rather than competitive, service provider portability will not be a competitive issue.

A. There is a Competitive Demand From New Entrants for Service Provider Number Portability in the Wireline Local Exchange Market

New entrants in the local exchange service market contend that the embedded customers of existing local exchange carriers ("LECs") are deterred from switching to alternative LECs ("ALEC") as a consequence of the burdens associated with changing telephone numbers. These new entrants therefore view the lack of number portability as a barrier to effective competition. Beyond these contentions, new entrants rely on little more than limited, and at best inconclusive, market survey data and the intuitive appeal of the argument that such a capability is important. Nevertheless, BellSouth accepts as a fundamental proposition that service provider number portability, if implemented properly, will indeed facilitate increased competition in the wireline local exchange market. BellSouth has, therefore actively pursued plans to deploy interim service provider portability solutions wherever local wireline competition has been authorized within its operating territory.

B. There is At Best Inconclusive Market Demand for Number Portability in the Wireline Market.

As a general principle, BellSouth believes that number portability capabilities should develop as a result of industry consensus and be implemented in response to actual market demand, rather than regulatory fiat. The Commission notes that ". . . we have insufficient information on the costs (monetary and nonmonetary) of making geographic telephone numbers portable either between service providers, services or locations."<sup>1</sup> BellSouth would add that insufficient information also exists as to the market demand for number portability. As shown below, the evidence of a market for these services is, at best, inconclusive.

1. Service Provider Portability

Although much discussion has occurred within the industry on the topic of number portability, such discussions remain in their preliminary stages. The Commission notes that while two studies suggest that changing telephone numbers deters consumers from selecting new wireline service providers, these findings may be mitigated if a significant number of customers change telephone numbers for other reasons.<sup>2</sup> While the Commission

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<sup>1</sup> See Telephone Number Portability, Notice of Proposed Rulemaking (hereinafter "NPRM"), CC Docket No. 95-116, FCC 95-284, para. 19 (July 13, 1995).

<sup>2</sup> NPRM para. 22. Indeed, at the August 3, 1995 meeting of the Industry Numbering Committee ("INC"), Pacific Bell announced the results of a survey which appear diametrically (continued...)

notes that the competitive importance of service provider portability depends primarily on the value a customer assigns to his telephone number,<sup>3</sup> BellSouth understands that very little is available in the way of studies or surveys to assess this value from an end user perspective.

The most reasonable conclusion that can be drawn from what appears to be conflicting survey evidence is that the ability to retain an existing telephone number is only one element a consumer will consider when analyzing whether to move to a new wireline service provider. It is entirely possible that one consumer might rank this issue as a top priority while another might consider the matter a "non-issue."<sup>4</sup> It also seems reasonable to conclude from what little data is available that the importance of service provider number portability will vary by end user segment, with businesses being more concerned about this issue than residential consumers.

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<sup>2</sup>(...continued)  
opposed to the results of the two MCI surveys referenced by the Commission in the NPRM.

<sup>3</sup> Id.

<sup>4</sup> Indeed, one in four customers appear to change their telephone numbers annually for various, non-competitive reasons. See NPRM para. 22, n.27.

## 2. Service Portability

Of the types of portability discussed in the industry, in BellSouth's view service portability appears to be generating the least amount of industry interest. While some empirical data is becoming available relative to consumer desires for service provider number portability, little appears to be available on this topic. Regardless, it does not appear that a number change raises a significant impediment to consumer's purchases of new services. Customers appear somewhat acclimated to the prospect that when purchasing some new services new numbers are a natural requirement. Consequently, the Commission need not address or mandate a service portability capability for any class of telecommunications services. The provisioning of this type of capability should be left up to individual carriers in response to actual market demand.

## 3. Location Portability

Although little data is available, BellSouth would speculate that market demand for location portability, the ability to retain a number when changing a physical geographic location, is mixed depending primarily on the geographic area encompassed by the physical relocation. When residential telephone customers move outside of their established communities, they generally establish new communities of interest. In this process, customers must educate their new acquaintances about their telephone number

regardless of whether it is a new number or one retained from a prior place of residence. Since these customer education efforts will always occur, a number change would appear to be of little importance and location portability is probably not very significant as customers relocate over large geographic areas. Indeed, residential customers have become accustomed to changing their telephone numbers when they move. However when customers relocate within smaller geographic areas and their communities of interest essentially remain unchanged, a telephone number change may be a burden.

Regardless of the inconclusive evidence of current market demand, any interim or long term solution to number portability must include a built-in capability for location portability so that all carriers may respond to such demand as it may arise. Consumers already have a level of location portability limited to the geographic area served by the central office related to the consumer's central office code. New entrants are expected to service larger geographic areas comprising several existing central office areas which will naturally expand the area over which these entrants can offer location portability. This, in turn may create a new demand for expanded location portability.

In order that all carriers may meet this demand, it is imperative that the Commission ensure that state implementation of service provider or other portability

solutions not operate to technically or financially preclude incumbent LECs from developing competitive capabilities for service or location portability.

(a) Location Portability Should be Distinguished from Personal Mobility

Implicit in the industry's definition of location portability is the concept of a change in permanent physical location. The definition is primarily targeted at those instances where consumers relocate their place of residence. In contrast, personal mobility allows customers to be reached at different geographical locations when the relocation is temporary as, for example, when traveling on business. Examples of personal mobility include cellular roaming, nationwide paging, and the recently introduced 500 service (which could also be used for permanent relocation.)

BellSouth believes that some demand for location portability is truly a demand for personal mobility. Thus, the Commission is correct when it observes that there may be cross elastic effects between, for example, location portability and 500 service. BellSouth believes, that, as with service portability, the market will ultimately dictate the scope of any demand for true location portability.

(b) The Geographic Scope of any Location Portability Requiring Limited Further Study

BellSouth believes that the issue of the geographic scope of a permanent number portability solution requires

further study by the industry, and provides the following comments for the record.

Generally speaking, distinguishing a call between toll and local for billing purposes relies on three main elements: the originating number, terminating number and the vertical and horizontal coordinates of the central offices for each. As long as the telephone number or central office code ("NXX") of a consumer is always physically located with a particular billing rate center, these elements can be used to distinguish billing. As mentioned above, new entrants, however, are not expected to map the same geographic overlay as the incumbent LEC's current area. Additionally, a LEC will not be able to determine the final termination of a call after handing off the call to another network since the originating LEC cannot see behind the terminating LEC's network. The industry will need to resolve the new standards required to ensure that complete billing information is available when needed. In addition to billing, most of BellSouth's servicing systems (e.g. repair, provisioning, maintenance) also rely on the association of an NXX code to a physical location to service the consumer.

Any introduction of location portability beyond the current central office would require BellSouth to modify the majority of its systems and processes to recognize this

change. A limited geographic area may serve to minimize these impacts.

The Industry Numbering Committee "INC" has suggested that location portability not extend beyond an area code ("NPA") boundary. The recent NPA split in Atlanta, illustrates the problem this limitation may present. As stated above, BellSouth believes that consumers traditionally associate a desire to retain a telephone number with a community of interest. When residential telephone customers move outside of their established communities, they generally establish new communities of interest. Customers must educate their new acquaintances with their telephone number regardless of whether it is a new number or one retained from a prior place of residence. On the other hand, when a residence customer moves within their community of interest, they may well prefer to keep their telephone number. In the case of the Atlanta area, this may involve movement from one NPA to another. Therefore, community of interest areas are not necessarily coterminous with NPA, LATA or state boundaries. The industry must examine this issue closely to insure that consumer needs and desires are met.

Another point worth noting is that rigidly defining a portability area based on NPA may produce some illogical results. If location portability is restricted to a given NPA, and an NPA split is required as a result of NXX

exhaust, the end result will be that consumers would lose some location portability capability they had prior to NPA relief.<sup>5</sup>

C. Competition in the Commercial Mobile Radio Service ("CMRS") Market Demonstrates that At This Time Service Provider Number Portability Should Not be Imposed on the Wireless Industry

In the near term, number portability for wireless services is not necessary to insure active competition, nor has there been any demonstrated demand for such capability. However, from a longer term perspective, the ability to port numbers to and from CMRS systems may be beneficial to customers. BellSouth feels that the FCC role should be to insure that, even if CMRS is excluded from interim solutions, that any long term national solution will allow wireless subscribers to participate to the fullest extent possible.

The cellular market is already competitive<sup>6</sup> with at least two existing providers in every market. Enhanced Specialized Mobile Radio (ESMR) expansion and the entry of up to six new Personal Communications Services ("PCS") providers will offer increasing competition for wireless

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<sup>5</sup> This could be avoided however if an NPA overlay was the adopted relief method.

<sup>6</sup> There are over 30 million cellular subscribers today in the United States. This figure continues to grow at the rate of 35% - 40% per year.

communications. Evidence of competition is also demonstrated by the fact that 13% of cellular customers move to a competitor annually.<sup>7</sup> The lack of service provider requirements for cellular will not impair the growth of local competition with the embedded wireline network. Cellular services are complementary to wireline services. They stimulate usage on the wireline network and offer consumers mobility and location independence.

There are several reasons why lack of service provider portability has not been a hindrance to competition. First, cellular telephone subscribers generally keep their telephone numbers confidential. In fact, Morgan Stanley reports that "a large portion (probably over 90%) of the cellular users today do not even know their cellular phone number."<sup>8</sup> Not many people dial cellular telephone numbers. According to the Cellular Telecommunications Industry of America, only ten percent (10%) of all air time in the cellular industry is from calls which were placed to a cellular number. Further, while a landline phone is always "on" and able to receive calls, cellular phones are often switched on only when needed. For all of these reasons, customers have much less attachment or assign less value to their cellular phone

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<sup>7</sup> MTA-EMCI, The US Cellular Marketplace: 1995 (reporting intersystem churn of 1.1% per month).

<sup>8</sup> Morgan Stanley, U S Investment Research - Telecommunications Services, (March 2, 1995), at 3.